

COMMITTEES:

APPROPRIATIONS

COMMERCE, SCIENCE, AND
TRANSPORTATION

ENVIRONMENT AND
PUBLIC WORKS

United States Senate

WASHINGTON, DC 20510

July 13, 2011

The Honorable Eric H. Holder, Jr.
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

The Honorable Mary L. Schapiro
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Attorney General Holder and Chairman Schapiro:

I am writing to express my deep concerns regarding allegations that News Corporation and its subsidiaries bribed foreign law enforcement officials for information to advance their business interests. If true, these allegations may be a violation of the Foreign Corrupt Practices Act of 1977 (FCPA), as amended (15 U.S.C. §§ 78dd-1, et seq.). I am asking that the Department of Justice (DOJ) and Securities and Exchange Commission (SEC) examine these issues and consider whether formal investigations are appropriate.

As you know, the anti-bribery provisions of FCPA make it illegal for a U.S. person or company to pay foreign officials to obtain or retain business. In this case, media reports indicate that reporters for *News of the World*, a newspaper that is controlled by a subsidiary of News Corporation, paid London police officers for information, including private telephone information, about the British royal family and other individuals for use in newspaper articles. These allegations originally came to light after it was revealed that the phone of Milly Dowler, a teenager who was kidnapped and murdered in England, had been hacked. Further troubling are the allegations that reporters within the News Corporation organization may have sought information from law enforcement officials in the U.S. about victims of the 9/11 terrorist attack.

As you know, News Corporation is a U.S.-based company subject to FCPA. Indeed, the company's own website states the following: "The Foreign Corrupt Practices Act (FCPA) is a U.S. law that forbids bribery of foreign (meaning non-U.S.) government officials, whether elected or appointed, even if the bribe takes place outside the United States. Because News Corporation is a U.S. corporation, the FCPA may apply to all Company employees everywhere in the world, regardless of their nationality or where they reside or do business."

The FCPA also includes accounting rules for public companies with securities listed in the United States (15 U.S.C. § 78m). These accounting rules require companies covered by the FCPA to maintain complete and accurate books detailing their transactions and sufficient internal accounting controls within the organization. If indeed bribes were made and not properly recorded, this too may be a violation of law.

The limited information already reported in this case raises serious questions about the legality of the conduct of News Corporation and its subsidiaries under the FCPA. Further investigation may reveal that current reports only scratch the surface of the problem at News Corporation. Accordingly, I am requesting that DOJ and the SEC examine these circumstances and determine whether U.S. laws have been violated.

Thank you for your attention to this matter and I look forward to your timely reply.

Sincerely,

A handwritten signature in blue ink that reads "Frank R. Lautenberg". The signature is written in a cursive, flowing style.